

FINAL STATEMENT OF REASONS

Adoption of California Code of Regulations (CCR) Title 2, Sections 599.500 through 599.501: Health Care Definitions and Coverage

Update of Initial Statement of Reasons: Senate Bill (SB) 1139, Correa (Chapter 639, Statutes of 2010), as described in the Initial Statement of Reasons and the Notice of Proposed Regulatory Action, has been chaptered into law. No changes were made to these proposed regulations and amendments as a result of this action.

Local Mandate Determination: While the proposed regulatory action imposes requirements on local agencies and school districts that contract with CalPERS to provide health benefits, the mandate is imposed by federal law.

Summary and Response to Comments Received During the Public Notice Period of October 1, 2010 through November 15, 2010: CalPERS received one email comment regarding the amendment of Sections 599.500 and 599.501 of Title 2, of the CCR during the public comment period.

The comment was from a member of the public, Joyce Dillard, who stated that, "Language identifying sources of funding are missing. Federal Executive Order 13132 – Federalism is not stated as a reason for non-compliance as an unfunded mandate."

CalPERS staff determined that the original proposed language was appropriate and that no changes were necessary. CalPERS staff thanked Ms. Dillard for her comment via email.

Summary and Response to Comments Received at Public Hearing: The Notice of Proposed Regulatory Action for the proposed amendments that clarify conditions and limitations pertaining to the eligibility of children, and conform State regulations to federal law by extending dependent coverage up to age 26, was filed with the Office of Administrative Law and posted on the CalPERS website. While CalPERS allowed interested parties to request a public hearing from October 1, 2010 to November 1, 2010, no such request was made and thus no hearing was scheduled.

Alternative Determination: CalPERS did not consider other alternatives because these regulations are proposed to align State regulations with provisions in the federal health care reform bill. There is no perceived adverse economic impact on small businesses and no proposed alternatives were submitted or considered.